
450.40**Sanctions****Overview**

Introduction

There are five types of sanctions applied to vendors for violations of program regulations:

- Nonpayment of food instruments,
- Issuance of violation points,
- Suspension,
- Civil Money Penalty, and
- Permanent disqualification.

See 641 IAC 73 (Policy 398.15) for more information on violations and sanctions.

Corrective training

It is a violation of WIC regulations for a vendor to allow the purchase of unauthorized brands or types of food with a WIC food instrument. If such a violation occurs, the vendor must provide additional training for his employees.

Training guidelines

The nature of the corrective training will be determined by state WIC staff and a vendor representative, usually the owner. The training will be documented in the “Corrective Action” section of the Vendor Monitoring Report. The training should include the use of a training videotape and a review of the “Clerk’s Guide to WIC” brochure.

The time limit for training is usually 30 days. The vendor must provide proof that the training occurred.

Program income

The collection of civil money penalties and vendor overpayments (the difference between the state average food package redeemed value and the amount received by the vendor) will be considered program income.

Civil Money Penalty

Overview

Federal guidelines allow state WIC staff to impose a civil money penalty (CMP) in lieu of a disqualification when:

- Disqualification of the vendor would result in inadequate participant access, OR
- The vendor had, at the time of the violation, an effective policy and program in effect to prevent trafficking; and the ownership was not aware of, did not approve of, and was not involved in the conduct of the violation.

Participant access determination

The following criteria would be used to determine that a vendor should be assessed a CMP rather than be suspended or disqualified to prevent inadequate participant access.

- There must be at least five active WIC participants in the vendor's zip code, AND
- The nearest WIC vendor is over 20 miles for these WIC participants.

Calculation of Civil Money Penalty

The following formula shall be used to calculate the amount of a CMP imposed in lieu of disqualification.

Step	Action
1	Determine the vendor's average monthly WIC redemptions for at least the six-month period ending with the month immediately preceding the month during which the notice of administrative action is dated.
2	Multiply the average monthly redemptions figure by 10 percent.
3	Multiply the product from Item B by the number of months for which the store would have been disqualified. This is the amount of the CMP if the amount is less than \$11,000. The CMP shall not exceed \$11,000 for each violation.
4	The CMP for a violation that warrants permanent disqualification is \$11,000.
5	When during the course of a single investigation, multiple violations are found, a CMP shall be imposed for each violation. The maximum CMP shall not exceed \$49,000 for a single investigation.

Note: A plan for installment payment of CMP may be negotiated between the vendor and state WIC staff.

Continued on next page

Civil Money Penalty, Continued

Subsequent violations

When a vendor who has been previously assessed a CMP for any violation receives a second sanction that would result in CMP, the penalty will be doubled. CMP penalties shall not be imposed in lieu of disqualification for third or subsequent violations of this type.

Reference

WIC Program Consolidated Regulations 246.15 (b)

This page intentionally left blank.